

## **REPLY EXHIBIT G**

[Morrow Declaration]

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**MOTORS LIQUIDATION COMPANY., *et al.*  
(f/k/a General Motors Corp., *et al.*)  
  
Debtors.**

Chapter 11

Case No. 09-50026 (REG)

(Jointly Administered)

**DECLARATION OF THOMAS A. MORROW IN SUPPORT OF THE MOTION  
OF WILMINGTON TRUST COMPANY, (I) AS GUC TRUST  
ADMINISTRATOR, TO (A) LIQUIDATE NEW GM SECURITIES FOR THE  
PURPOSE OF FUNDING FEES, COSTS AND EXPENSES OF THE GUC TRUST  
AND AVOIDANCE ACTION TRUST, AND (B) TRANSFER NEW GM  
SECURITIES TO THE AVOIDANCE ACTION TRUST FOR THE PURPOSE OF  
FUNDING FUTURE TAX LIABILITIES AND  
(II) AS AVOIDANCE ACTION TRUST ADMINISTRATOR, TO APPROVE  
AN AMENDMENT TO THE AVOIDANCE ACTION TRUST AGREEMENT**

I, Thomas A. Morrow declare:

1. I am a Managing Director of AlixPartners LLP (“**AlixPartners**”), located at 2000 Town Center, Suite 2400, Southfield, MI 48075, and am duly authorized to submit this declaration (the “**Declaration**”) on behalf of AlixPartners.

2. I submit this Declaration in support of the motion (the “**Motion**”)<sup>1</sup> submitted by (i) the GUC Trust Administrator seeking entry of an Order approving (A) the GUC Trust’s sale of New GM Securities to fund accrued and expected fees, costs and expenses of the GUC Trust and the Avoidance Action Trust, and (B) the GUC Trust’s transfer of New GM Securities to the Avoidance Action Trust to fund potential future tax liabilities of the Avoidance Action Trust, and (ii) the Avoidance Action Trust

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Motion.

Administrator, seeking entry of an Order approving an amendment to the Avoidance Action Trust Agreement.

3. Unless otherwise stated in this Declaration, I submit this Declaration is based on my personal knowledge of the facts set forth herein, my review of relevant documents and court pleadings, and the advice of other professionals in this case. If called as a witness, I could and would competently testify thereto.

**Claims Resolution to Date**

4. AlixPartners has played a key role in the Debtors' and GUC Trust's claims resolution process, negotiating or otherwise contributing to the estates' objections to hundreds of billions of dollars of Disputed General Unsecured Claims. I and members of my staff have been deeply involved in numerous aspects of the claims resolution process, and I generally have assumed a leadership role directing negotiation and litigation strategy.

5. In the first nine months of the GUC Trust's existence, AlixPartners, the GUC Trust Administrator, the GUC Trust Monitor and other Trust Professionals' collective efforts resulted in the resolution of approximately \$2.5 billion (or approximately 25.8%) of the approximately \$9.7 billion of initial Disputed General Unsecured Claims (*i.e.* disputed claims remaining after the Effective Date of the Plan). Of the \$2.5 billion, only claims (or portions of claims) with an aggregate amount of approximately \$153 million were allowed, meaning that approximately 93% of the total resolved claims between March 31, 2011 and December 31, 2011 were disallowed. The disallowance of Disputed General Unsecured Claims in 2011 resulted in GUC Trust

distributions of approximately \$297 million of Excess GUC Trust Distributable Assets to Trust Unit beneficiaries at the end of the First and Second Quarter Distributions.<sup>2</sup>

6. In addition to the fully resolved claims referenced above, Trust Professionals are in various stages of completion resolving additional Disputed General Unsecured Claims (“Work in Progress” claims) with an aggregate asserted value of \$1.5 billion. These Work In Progress claims include claims: (x) that have been objected to; (y) to which Trust Professionals are preparing objections for the Court’s consideration; and (z) that are the subject of active negotiation between Trust Professionals and the claimants.

7. Although Trust Professionals have made significant progress reconciling and resolving Disputed General Unsecured Claims, the process has proven more time consuming and costly than initially anticipated. The sheer volume and complexity of claims coupled with the GUC Trust’s need to address many responses individually continues to require resources over and above what was originally budgeted.

8. Nonetheless, as the dollar value of individual Disputed General Unsecured Claims has decreased, Trust Professionals have continuously taken active steps to streamline the claims reconciliation process (and otherwise decrease attendant expenses). Specifically, as claims are resolved, I believe that I will be able to make corresponding reductions in the AlixPartners team, reducing administrative costs. Based on the budget discussions with other professionals, I believe that other Trust Professionals intend to make similar reductions to their teams. Further, I believe the

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<sup>2</sup> Market values included herein are estimated based on publicly available market pricing for New GM Common Stock and New GM Warrants as reported on or about the date of each distribution.

remaining Disputed General Unsecured Claims, totaling approximately \$4.7 billion (excluding certain discrete large litigation claims), will be reconciled and resolved more quickly and more efficiently than previously resolved claims. Because of the Debtors' and the GUC Trust Administrator's "top down" approach to claims reconciliation, prioritizing the largest claims for reconciliation before smaller claims, a larger percentage of the remaining claims are smaller. I believe these claims will require less time and expense to resolve. Based on current estimates and progress completed to date, I believe it is possible for the GUC Trust to resolve all or substantially all outstanding Disputed General Unsecured Claims (with the exception of certain litigation claims) by the end of 2012. Resolution of litigation claims will likely continue into 2013.

**The Benefits of Claims Resolution Moving Forward**

9. Based on my experience and analysis of remaining Disputed General Unsecured Claims, I believe that the benefits enjoyed by GUC Trust beneficiaries on account of the claims resolution process outweigh the attendant costs. Attached hereto as ***Exhibit A*** is a hypothetical scenario analysis (the "**Scenario Analysis**") prepared by AlixPartners to support the relief requested in the Motion.<sup>3</sup>

10. The annexed Scenario Analysis highlights the incremental value of the GUC Trust's active negotiation and litigation of Disputed General Unsecured Claims to Trust Unit beneficiaries through its presentation of four separate scenarios. Two of the scenarios – Scenarios 1 and 2 – assume (a) no additional cash is made available to fund claims resolution and (b) as a result, Disputed General Unsecured Claims are allowed by

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<sup>3</sup> At the request of the GUC Trust Administrator, AlixPartners performed a similar analysis in late 2011.

the Court at their full asserted amounts of approximately \$37.1 billion (in Scenario 1) or \$36 billion (in Scenario 2).<sup>4</sup> The sole difference between the two scenarios is that, in Scenario 2, I assume that the GUC Trust will successfully disallow all or parts of Disputed General Unsecured Claims, equal to \$1.1 billion, using remaining cash allocated pursuant to the Initial Budget to fund further claims resolution. This assumption is also based off of my experience with the GUC Trust as well as my general knowledge of the merits of the remaining Disputed General Unsecured Claims. Under Scenario 2, because of the assumed disallowance of \$1.1 billion in claims, Excess GUC Trust Distributable Assets would be distributed to Trust Unit beneficiaries (when compared with Scenario 1), increasing creditor recoveries by approximately .3% (from approximately 19.9% to 20.2%).

11. By contrast, Scenarios 3 and 4 assume (a) the GUC Trust is able to fully fund the claims resolution process through 2012 (*i.e.* to the extent requested in the Motion) and (b) as a result, total Allowed General Unsecured Claims decrease to \$35 billion (in Scenario 3) or \$33.5 billion (in Scenario 4). Based on my experience, and the GUC Trust's disallowance of approximately \$2.2 billion in Disputed General Unsecured Claims during its first 9 months of existence, I believe both of these assumptions are reasonable, assuming the GUC Trust has adequate resources to fully prosecute claims objections.

12. Although I cannot be certain of how successful the GUC Trust will be reconciling claims moving forward, the Scenario Analysis and the assumptions

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<sup>4</sup> Currently, approximately \$30 billion in unsecured claims have been allowed in the Chapter 11 Cases.

underlying the Scenario Analysis lead me to conclude that claims resolution favorable to the GUC Trust is likely to have a considerably greater effect on allowed creditor recoveries than the reduction in distributable assets caused by selling New GM Securities to fund reasonable Trust Professional fees and expenses in excess of their initially budgeted amounts. By the Motion, I understand that the GUC Trust Administrator has sought authority to liquidate approximately \$17.9 million of New GM Securities to fund GUC Trust costs and expenses for 2011 and 2012.<sup>5</sup> I believe liquidation of these securities to fund GUC Trust costs and expenses is fully justified by the resulting anticipated benefits to Trust Unit beneficiaries on account of the claims resolution process. Taking into account incremental costs and expenses, if the GUC Trust Administrator and Trust Professionals successfully reduce Disputed General Unsecured Claims so that final Allowed General Unsecured Claims total \$35 billion (as outlined in Scenario 3), allowed creditor recoveries would increase to approximately 20.41%, more than .2% greater than creditor recoveries under the baseline Scenario 2. If Disputed General Unsecured Claims are further reduced so that final Allowed General Unsecured Claims total \$33.5 billion, creditor recoveries would rise to 21.33%, over 1.14% greater than under Scenario 2.

13. The benefits of claims resolution described in the preceding paragraph can also be set forth in dollars. GUC Trust beneficiaries, in aggregate, would receive between \$80 million and \$480 million more under Scenarios 3 and 4 than in

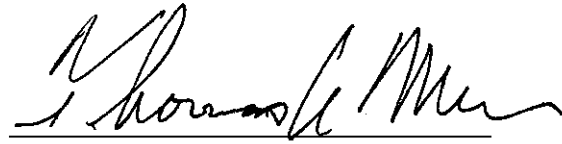
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<sup>5</sup> Because this Declaration concerns only claims reconciliation costs and benefits, additional Reporting and Transfer Costs and Avoidance Action Trust costs for which funding is sought in the Motion are not incorporated into this analysis.

Scenarios 1 and 2, respectively. Even under the more conservative Scenario 3, the resulting benefit (net of the additional funding) relative to Scenario 2 would equal approximately 4.5 times greater than the \$17.9 million of New GM Securities proposed to be liquidated per the Motion to fund the attendant GUC Trust administrative fees, costs and expenses.

14. Pursuant to 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: Dallas, Texas  
February 23, 2012

A handwritten signature in black ink, appearing to read "Thomas A. Morrow", written over a horizontal line.

Thomas A. Morrow



**Exhibit A**

Motors Liquidation Company GUC Trust  
Recovery Estimate

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	Amount	Shares	A Warrants	B Warrants	Total
<b>Global Assumptions</b>					
Price per share/warrant <sup>(2)</sup>	\$	24.20	\$	15.34	\$ 10.60
<b>Scenario 1</b>					
<b>Allowed Claims at \$37 B; do not liquidate securities</b>					
Allowed Claims	\$	37,083,147,838			
Total shares/warrants <sup>(1)</sup>		149,912,818	136,284,379	136,284,379	
Additional shares		8,927,776			
Adjusted shares/warrants		158,840,594	136,284,379	136,284,379	
Wind-down budget					
Reporting and Transfer budget					
Estimated Market Value	\$	-	\$ -	\$ -	\$ -
Remaining shares/warrants		158,840,594	136,284,379	136,284,379	
Estimated Market Value	\$	3,843,942,386	\$ 2,090,602,374	\$ 1,444,614,417	\$ 7,379,159,177
Estimated Allowed Claims					\$ 37,083,147,838
Per \$1,000 of Allowed Claim		4.28	3.68	3.68	
Estimated Market Value	\$	103.66	\$ 56.38	\$ 38.96	\$ 198.99
Recovery %					19.90%
<b>Scenario 2</b>					
<b>Allowed Claims at \$36 B; do not liquidate securities</b>					
Allowed Claims	\$	36,000,000,000			
Total shares/warrants <sup>(1)</sup>		149,912,818	136,284,379	136,284,379	
Additional shares		4,285,714			
Adjusted shares/warrants		154,198,532	136,284,379	136,284,379	
Wind-down budget					
Reporting and Transfer budget					
Estimated Market Value	\$	-	\$ -	\$ -	\$ -
Remaining shares/warrants		154,198,532	136,284,379	136,284,379	
Estimated Market Value	\$	3,731,604,481	\$ 2,090,602,374	\$ 1,444,614,417	\$ 7,266,821,273
Estimated Allowed Claims					\$ 36,000,000,000
Per \$1,000 of Allowed Claim		4.28	3.79	3.79	
Estimated Market Value	\$	103.66	\$ 58.07	\$ 40.13	\$ 201.86
Recovery %					20.19%

Motors Liquidation Company GUC Trust  
Recovery Estimate

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	Amount	Shares	A Warrants	B Warrants	Total
<b>Scenario 3</b>					
<b>Allowed Claims at \$35 B; liquidate securities</b>					
Allowed Claims	\$ 35,000,000,000				
Total shares/warrants <sup>(1)</sup>		149,912,818	136,284,379	136,284,379	
Additional shares		-			
Adjusted shares/warrants		149,912,818	136,284,379	136,284,379	
Wind-down budget		373,918	339,925	339,925	
Reporting and Transfer budget					
Estimated Market Value	\$	9,048,816	\$ 5,214,450	\$ 3,603,205	\$ 17,866,470
Remaining shares/warrants		149,538,900	135,944,454	135,944,454	
Estimated Market Value	\$	3,618,841,380	\$ 2,085,387,924	\$ 1,441,011,212	\$ 7,145,240,517
Estimated Allowed Claims					\$ 35,000,000,000
Per \$1,000 of Allowed Claim		4.27	3.88	3.88	
Estimated Market Value	\$	103.40	\$ 59.58	\$ 41.17	\$ 204.15
Recovery %					20.41%
<b>Scenario 4</b>					
<b>Allowed Claims at \$33.5 B; liquidate securities</b>					
Allowed Claims	\$ 33,500,000,000				
Total shares/warrants <sup>(1)</sup>		149,912,818	136,284,379	136,284,379	
Additional shares					
Adjusted shares/warrants		149,912,818	136,284,379	136,284,379	
Wind-down budget		373,918	339,925	339,925	
Reporting and Transfer budget					
Estimated Market Value	\$	9,048,816	\$ 5,214,450	\$ 3,603,205	\$ 17,866,470
Remaining shares/warrants		149,538,900	135,944,454	135,944,454	
Estimated Market Value	\$	3,618,841,380	\$ 2,085,387,924	\$ 1,441,011,212	\$ 7,145,240,517
Estimated Allowed Claims					\$ 33,500,000,000
Per \$1,000 of Allowed Claim		4.46	4.06	4.06	
Estimated Market Value	\$	108.03	\$ 62.25	\$ 43.02	\$ 213.29
Recovery %					21.33%

**Notes**

(1) Total shares/warrants reduced by 87,182 common shares and 79,256 warrants of each class of warrant related to the Reporting and Transfer Holdback sold in May 2011, resulting in cash proceeds of \$5.6M.

(2) Based on market prices as reported by the NYSE on 1/13/2012.

(3) The dilutive effect of issuing additional shares if claims allowed were greater than \$35 billion was excluded from this analysis as non-material. If dilution had been considered it would have further reduced the recoveries in scenario 1 and 2.

**Motors Liquidation Company GUC Trust**

Incremental Recovery Analysis

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		Incremental Recovery Analysis			
		Scenario			
		1	2	3	4
Scenario 1	Allowed Claims at \$37 B; do not liquidate securities	37,083,147,838	19.90%	NA	
Scenario 2	Allowed Claims at \$36 B; do not liquidate securities	36,000,000,000	20.19%	NA	
Scenario 3	Allowed Claims at \$35 B; liquidate securities	35,000,000,000	20.41%	180,606,006	80,275,391
Scenario 4	Allowed Claims at \$33.5 B; liquidate securities	33,500,000,000	21.33%	479,090,342	383,059,610

Notes: The range of additional recovery to the creditors in scenario 3 and 4 over scenario 1 and 2 is \$80 million to \$479 million.